

CITY OF MINNEOLA, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Minneola, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Minneola, Kansas, as of and for the year ended December 31, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the City of Minneola, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Minneola, Kansas as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Minneola, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and the individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2013 column presented in the individual fund schedules of regulatory basis receipts and expenditures (Schedule 2 as listed in the table of contents) upon which we rendered an unmodified opinion dated August 8, 2014, is also presented for comparative analysis and is not a required part of the 2014 basic financial statement. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

September 4, 2015

CITY OF MINNEOLA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2014

<u>Funds</u>	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General	\$ 72,808	\$ -
Special purpose funds:		
Library	473	-
Library employee benefits	(121)	-
Employee benefits	8,058	-
Special highway	31,616	-
Equipment reserve		
Capital improvements	-	-
Total special purpose funds	40,026	-
Bond and interest fund:		
Bond and interest	17,656	-
Capital projects funds:		
Bond construction	43,969	-
Water line	-	-
Total capital project funds	43,969	-
Business funds:		
Water utility	84,313	-
Sewer utility	8,380	-
Trash utility	383	-
Total business funds	93,076	-
Total City of Minneola	267,535	-
Related municipal entity:		
Minneola City Library	57,223	-
Total municipal financial reporting entity	\$ 324,758	\$ -
Composition of cash:		
Checking		
Debit card		
Money market		
Certificate of deposit		
Total City of Minneola		
Related municipal entity		
Total municipal financial reporting entity		

The notes to the financial statement are an integral part of this statement.

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 451,290	\$ 287,942	\$ 236,156	\$ 351	\$ 236,507
19,734	19,142	1,065	-	1,065
2,082	1,863	98	-	98
13,857	13,249	8,666	-	8,666
19,156	43,048	7,724	-	7,724
		-		-
495,031	495,031	-	-	-
549,860	572,333	17,553	-	17,553
76,598	74,165	20,089	-	20,089
-	43,969	-	-	-
105,243	105,243	-	-	-
105,243	149,212	-	-	-
183,271	189,497	78,087	-	78,087
67,192	62,010	13,562	-	13,562
42,612	43,534	(539)	-	(539)
293,075	295,041	91,110	-	91,110
1,476,066	1,378,693	364,908	351	365,259
31,001	25,932	62,292	430	62,722
\$ 1,507,067	\$ 1,404,625	\$ 427,200	\$ 781	\$ 427,981
				\$ 102,763
				2,000
				210,496
				50,000
				365,259
				62,722
				\$ 427,981

CITY OF MINNEOLA, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Minneola is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Minneola and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Minneola City Library. The Minneola City Library operates the City's public library. The members of the governing board of the Library are approved by the City Council. Bond issuances must be approved by the City.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2014:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the official newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the Capital Project and Capital Improvement funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Special Assessments

Projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments received are recorded as receipts in the Bond and Interest Fund.

B. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration to the Director of Accounts and Reports, Kansas Department of Administration, and interpretation by legal representatives of the City.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. At year end, the Trash Utility fund had an unencumbered cash deficit of \$539.

The budget law provided by K.S.A. 79-2935 prohibits the creation of indebtedness in any fund in excess of the amount allowed by budget. At year end, the General fund had expenditures in excess of budget in the amount of \$48,619.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2014.

At December 31, 2014, the City's carrying amount of deposits was \$365,259 and the bank balance was \$371,620. Of the bank balance, \$361,124 was covered by federal depository insurance and \$10,496 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

D. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2014, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Street and utilities improvements					
Issued September 1, 2005					
In the amount of \$175,000					
At an interest rate of 4.0%-5.75%					
Maturing September 1, 2015	\$ 41,000	\$ -	\$ 20,000	\$ 21,000	\$ 1,732
General improvements					
Issued September 28, 2009					
In the amount of \$465,000					
At an interest rate of 2.0%-4.25%					
Maturing November 1, 2020	<u>315,000</u>	<u>-</u>	<u>40,000</u>	<u>275,000</u>	<u>11,913</u>
Total general obligation bonds	<u>356,000</u>	<u>-</u>	<u>60,000</u>	<u>296,000</u>	<u>13,645</u>
Revolving loans:					
Kansas Department of Health and Environment					
Issued March 26, 2013					
In the amount of \$712,780					
At an interest rate of 2.16%					
Maturing February 1, 2034	<u>607,538</u>	<u>105,243</u>	<u>17,297</u>	<u>695,484</u>	<u>7,501</u>
Capital leases:					
Ford pickup					
Issued June 20, 2012					
In the amount of \$22,010					
At an interest rate of 5.50%					
Maturing June 20, 2014	<u>7,330</u>	<u>-</u>	<u>7,330</u>	<u>-</u>	<u>403</u>
Total contractual indebtedness	<u>\$ 970,868</u>	<u>\$ 105,243</u>	<u>\$ 84,627</u>	<u>\$ 991,484</u>	<u>\$ 21,549</u>

D. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2015	\$ 61,000	\$ 11,180	\$ 72,180
2016	45,000	9,313	54,313
2017	45,000	7,737	52,737
2018	45,000	6,050	51,050
2019	40,000	4,250	44,250
2020	<u>60,000</u>	<u>2,550</u>	<u>62,550</u>
Total	<u>\$ 296,000</u>	<u>\$ 41,080</u>	<u>\$ 337,080</u>

Current maturities of revolving loans for the next five years and thereafter through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2015	\$ 29,027	\$ 14,865	\$ 43,892
2016	29,656	14,236	43,892
2017	30,300	13,592	43,892
2018	30,958	12,934	43,892
2019	31,630	12,262	43,892
2020-2024	168,758	50,703	219,461
2025-2029	187,896	31,565	219,461
2030-2034	<u>187,259</u>	<u>10,257</u>	<u>197,516</u>
Total	<u>\$ 695,484</u>	<u>\$ 160,414</u>	<u>\$ 855,898</u>

E. DEBT LIMITATION

The amount of long-term debt that can be incurred by the City is limited by K.S.A. 10-308. K.S.A. 10-309 provides for certain exemptions and K.S.A. 10-311 exempts revenue bond issues from the overall limitation. Except as provided in other statutes the total outstanding bonded indebtedness during a year can be no greater than 30% of the assessed value of taxable tangible property as certified to the County Clerk on the preceding August 25. As of December 31, 2014, the City did not have any debt subject to the limitations imposed by K.S.A. 10-308.

F. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Capital Improvement	K.S.A. 12-1,118	\$ 55,911
Water Utility	Bond and Interest	K.S.A. 12-825d	<u>30,000</u>
			<u>85,911</u>
Transfers to related municipal entity:			
Library	Minneola City Library		\$ 18,825
Library Employee Benefits	Minneola City Library		<u>1,829</u>
			<u>\$ 20,654</u>

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated absences. The City's compensated absence policy permits employees to earn vacation up to twenty days per year depending upon the years of service. The City's policy allows employees to carry over all accumulated vacation. Unused vacation is paid upon termination or resignation.

Sick leave is accumulated at the rate of one day per month. The maximum number of hours eligible to be carried over to a subsequent year is 240 hours. Unused sick leave is not paid upon termination or resignation. The City's policy is to recognize the costs of compensated absences when actually paid.

H. DEFINED BENEFIT PENSION PLAN

Plan description. The City contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603), at the following website: www.kpers.org or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City's employer contributions to KPERS for the years ending December 31, 2014, 2013, and 2012 were \$14,441, \$13,327, and \$12,741, respectively, equal to the required contributions for each year.

I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 4, 2015, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MINNEOLA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

<u>Funds</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General	\$ 239,323	\$ -	\$ 239,323	\$ 287,942	\$ (48,619)
Special purpose funds:					
Library	19,449	-	19,449	19,142	307
Library employee benefits	2,017	-	2,017	1,863	154
Employee benefits	19,898	-	19,898	13,249	6,649
Special highway	50,000	-	50,000	43,048	6,952
Bond and interest fund:					
Bond and interest	94,767	-	94,767	74,165	20,602
Business funds:					
Water utility	275,000	-	275,000	189,497	85,503
Sewer utility	84,500	-	84,500	62,010	22,490
Trash utility	47,000	-	47,000	43,534	3,466
	<u>\$ 831,954</u>	<u>\$ -</u>	<u>\$ 831,954</u>	<u>\$ 734,450</u>	<u>\$ 97,504</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 51,220	\$ 54,942	\$ 55,377	\$ (435)
Delinquent tax	3,193	3,547	100	3,447
Motor vehicle tax	11,015	10,998	11,850	(852)
Recreational vehicle tax	224	164	198	(34)
16/20M truck tax	93	57	86	(29)
Special assessments	884	2,642	-	2,642
Intangibles tax	3,217	3,579	3,522	57
Local sales tax	71,768	200,497	55,000	145,497
Franchise tax	36,594	42,198	35,000	7,198
Licenses, permits and fees:				
Licenses and permits	1,175	1,450	1,000	450
Animal control	25	592	-	592
Fines, forfeitures and penalties	26,186	104,211	12,000	92,211
Charges for services	15,954	15,686	16,100	(414)
Interest	582	565	500	65
Miscellaneous	12,087	10,162	5,000	5,162
Operating transfer in	-	-	10,000	(10,000)
Total receipts	<u>234,217</u>	<u>451,290</u>	<u>\$ 205,733</u>	<u>\$ 245,557</u>
Expenditures:				
General government:				
Personal services	39,043	37,942	\$ 41,800	\$ 3,858
Contractual services	77,689	72,604	80,000	7,396
Commodities	1,128	6,901	2,500	(4,401)
Capital outlay	800	2,600	-	(2,600)
Public safety:				
Law enforcement	3,600	3,600	3,600	-
Fire department	6,374	3,508	7,200	3,692
Municipal court:				
Personal services	6,530	7,570	10,000	2,430
Contractual services	19,453	28,095	30,000	1,905
Culture and recreation:				
Personal services	34,454	38,758	28,000	(10,758)
Contractual services	12,282	18,033	15,000	(3,033)
Commodities	6,291	11,290	4,000	(7,290)
Capital outlay	-	-	5,000	5,000
Neighborhood revitalization	1,758	1,130	2,223	1,093
Miscellaneous	-	-	10,000	10,000
Operating transfer out	-	55,911	-	(55,911)
Total expenditures	<u>209,402</u>	<u>287,942</u>	<u>\$ 239,323</u>	<u>\$ (48,619)</u>
Receipts over (under) expenditures	24,815	163,348		
Unencumbered cash, beginning of year	<u>47,993</u>	<u>72,808</u>	<u>\$ 33,590</u>	<u>\$ 39,218</u>
Unencumbered cash, end of year	<u>\$ 72,808</u>	<u>\$ 236,156</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 14,568	\$ 15,431	\$ 15,552	\$ (121)
Delinquent tax	877	1,015	100	915
Motor vehicle tax	3,261	3,223	3,370	(147)
Recreational vehicle tax	69	47	56	(9)
16/20M truck tax	23	18	25	(7)
Total receipts	18,798	19,734	\$ 19,103	\$ 631
Expenditures:				
Transfer to related municipal entity	17,825	18,825	\$ 18,825	\$ -
Neighborhood revitalization	500	317	624	307
Total expenditures	18,325	19,142	\$ 19,449	\$ 307
Receipts over (under) expenditures	473	592		
Unencumbered cash, beginning of year	-	473	\$ 346	\$ 127
Unencumbered cash, end of year	\$ 473	\$ 1,065		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,413	\$ 1,647	\$ 1,658	\$ (11)
Delinquent tax	96	104	25	79
Motor vehicle tax	359	324	327	(3)
Recreational vehicle tax	8	5	5	-
16/20M truck tax	1	2	2	-
Total receipts	<u>1,877</u>	<u>2,082</u>	<u>\$ 2,017</u>	<u>\$ 65</u>
Expenditures:				
Transfer to related municipal entity	1,950	1,829	\$ 1,950	\$ 121
Neighborhood revitalization	<u>48</u>	<u>34</u>	<u>67</u>	<u>33</u>
Total expenditures	<u>1,998</u>	<u>1,863</u>	<u>\$ 2,017</u>	<u>\$ 154</u>
Receipts over (under) expenditures	(121)	219		
Unencumbered cash, beginning of year	<u>-</u>	<u>(121)</u>	<u>\$ -</u>	<u>\$ (121)</u>
Unencumbered cash, end of year	<u>\$ (121)</u>	<u>\$ 98</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 13,355	\$ 9,843	\$ 9,920	\$ (77)
Delinquent tax	504	858	100	758
Motor vehicle tax	2,534	2,996	3,090	(94)
Recreational vehicle tax	61	43	51	(8)
16/20M truck tax	9	18	23	(5)
Miscellaneous	-	99	-	99
Total receipts	16,463	13,857	\$ 13,184	\$ 673
Expenditures:				
General government:				
Contractual services	10,947	13,047	\$ 19,500	\$ 6,453
Neighborhood revitalization	458	202	398	196
Total expenditures	11,405	13,249	\$ 19,898	\$ 6,649
Receipts over (under) expenditures	5,058	608		
Unencumbered cash, beginning of year	3,000	8,058	\$ 6,714	\$ 1,344
Unencumbered cash, end of year	\$ 8,058	\$ 8,666		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
State of Kansas gas tax	\$ 18,390	\$ 19,156	\$ 18,780	\$ 376
Expenditures:				
Public works:				
Personal services	3,040	8,010	\$ 4,000	\$ (4,010)
Contractual services	1,486	1,600	6,000	4,400
Commodities	4,759	33,438	40,000	6,562
Capital outlay	500	-	-	-
Total expenditures	9,785	43,048	\$ 50,000	\$ 6,952
Receipts over (under) expenditures	8,605	(23,892)		
Unencumbered cash, beginning of year	23,011	31,616	\$ 31,641	\$ (25)
Unencumbered cash, end of year	\$ 31,616	\$ 7,724	\$ 421	\$ 7,303

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS**CAPITAL IMPROVEMENTS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2014

Receipts:

State of Kansas	\$ 359,945
Insurance proceeds	50,150
Donations	29,025
Operating transfer in	<u>55,911</u>
Total receipts	495,031

Expenditures:

Public works:	
Capital outlay	<u>495,031</u>

Receipts over (under) expenditures

-

Unencumbered cash, beginning of year

-

Unencumbered cash, end of year

\$ -

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 12,605	\$ 25,259	\$ 25,460	\$ (201)
Delinquent tax	992	1,024	100	924
Motor vehicle tax	3,623	2,996	2,916	80
Recreational vehicle tax	77	42	48	(6)
16/20M truck tax	28	20	21	(1)
Special assessments	20,059	17,257	18,000	(743)
Operating transfer in	30,000	30,000	30,000	-
Total receipts	67,384	76,598	\$ 76,545	\$ 53
Expenditures:				
Debt service:				
Principal	60,000	60,000	\$ 70,000	\$ 10,000
Interest	15,575	13,645	13,645	-
Fees and commission	-	-	100	100
Cash basis reserve	-	-	10,000	10,000
Neighborhood revitalization	433	520	1,022	502
Total expenditures	76,008	74,165	\$ 94,767	\$ 20,602
Receipts over (under) expenditures	(8,624)	2,433		
Unencumbered cash, beginning of year	26,280	17,656	\$ 18,222	\$ (566)
Unencumbered cash, end of year	\$ 17,656	\$ 20,089		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
State and federal aid	\$ 3,479	\$ -
Expenditures:		
Public works:		
Contractual services	<u>41,331</u>	<u>43,969</u>
Receipts over (under) expenditures	(37,852)	(43,969)
Unencumbered cash, beginning of year	<u>81,821</u>	<u>43,969</u>
Unencumbered cash, end of year	<u>\$ 43,969</u>	<u>\$ -</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

WATER LINE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Loan proceeds	<u>\$ 607,538</u>	<u>\$ 105,243</u>
Expenditures:		
Public works:		
Capital outlay	607,538	99,290
Debt service:		
Debt issuance costs	<u>-</u>	<u>5,953</u>
Total expenditures	<u>607,538</u>	<u>105,243</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 167,916	\$ 169,111	\$ 198,000	\$ (28,889)
Miscellaneous	2,351	14,160	-	14,160
Total receipts	170,267	183,271	\$ 198,000	\$ (14,729)
Expenditures:				
Public works:				
Personal services	66,982	57,953	\$ 70,000	\$ 12,047
Contractual services	50,378	42,031	150,000	107,969
Commodities	14,868	14,120	10,000	(4,120)
Capital outlay	6,050	20,595	5,000	(15,595)
Debt service:				
Principal	-	17,297	-	(17,297)
Interest and fees	-	7,501	-	(7,501)
Operating transfers out	30,000	30,000	40,000	10,000
Total expenditures	168,278	189,497	\$ 275,000	\$ 85,503
Receipts over (under) expenditures	1,989	(6,226)		
Unencumbered cash, beginning of year	82,324	84,313	\$ 82,904	\$ 1,409
Unencumbered cash, end of year	\$ 84,313	\$ 78,087	\$ 5,904	\$ 72,183

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 68,047	\$ 67,192	\$ 80,000	\$ (12,808)
Expenditures:				
Public works:				
Personal services	43,483	39,173	\$ 42,000	\$ 2,827
Contractual services	12,425	13,736	30,000	16,264
Commodities	10,217	7,601	7,500	(101)
Capital outlay	1,538	1,500	5,000	3,500
Total expenditures	67,663	62,010	\$ 84,500	\$ 22,490
Receipts over (under) expenditures	384	5,182		
Unencumbered cash, beginning of year	7,996	8,380	\$ 15,610	\$ (7,230)
Unencumbered cash, end of year	\$ 8,380	\$ 13,562	\$ 11,110	\$ 2,452

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

TRASH UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 41,471	\$ 42,612	\$ 47,000	\$ (4,388)
Expenditures:				
Public works:				
Contractual services	42,262	43,534	\$ 47,000	\$ 3,466
Receipts over (under) expenditures	(791)	(922)		
Unencumbered cash, beginning of year	1,174	383	\$ 174	\$ 209
Unencumbered cash, end of year	\$ 383	\$ (539)	\$ 174	\$ (713)

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

MINNEOLA CITY LIBRARY
(RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014
Receipts:		
Transfers from City:		
General	\$ 17,825	\$ 18,825
Employee benefits	1,950	1,829
State aid	2,589	1,215
SWKLS grants	6,450	6,650
Memorials	945	50
Other income	70	1,295
Interest on investments	135	137
Summer reading	1,200	1,000
	<hr/>	<hr/>
Total receipts	31,164	31,001
	<hr/>	<hr/>
Expenditures:		
Materials	4,154	4,899
Operations	2,518	2,890
Personnel	13,648	14,630
Technology	3,643	3,513
	<hr/>	<hr/>
Total expenditures	23,963	25,932
	<hr/>	<hr/>
Receipts over (under) expenditures	7,201	5,069
Unencumbered cash, beginning of year	50,022	57,223
	<hr/>	<hr/>
Unencumbered cash, end of year	<u>\$ 57,223</u>	<u>\$ 62,292</u>

See Independent Auditor's Report.